# UNITED STATES PRIORITIES IN EUROPE

# **HEARING**

BEFORE THE

SUBCOMMITTEE ON EUROPE

OF THE

# COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

MARCH 3, 2004

Serial No. 108-75

Printed for the use of the Committee on International Relations



Available via the World Wide Web: http://www.house.gov/international\_relations

U.S. GOVERNMENT PRINTING OFFICE

92-344PDF

WASHINGTON: 2004

For sale by the Superintendent of Documents, U.S. Government Printing Office Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800 Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

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# UNITED STATES PRIORITIES IN EUROPE

## WEDNESDAY, MARCH 3, 2004

House of Representatives, SUBCOMMITTEE ON EUROPE, COMMITTEE ON INTERNATIONAL RELATIONS, Washington, DC.

The Committee met, pursuant to call, at 10:05 a.m. in Room 2200, Rayburn House Office Building, Hon. Doug Bereuter pre-

Mr. Bereuter. The Subcommittee will come to order.

The topic of today's hearing is the United States interest in Europe, and today the Europe Subcommittee will hear from Assistant Secretary of State Elizabeth Jones, on U.S. policy interests in Eu-

rope.

My plan for today is that after statements by myself, the Ranking Minority Member of the Subcommittee, Mr. Wexler, and a statement by Assistant Secretary Jones, I will recess the hearing briefly to consider H. Res. 540. H. Res. 540 is a resolution related to the death of Macedonian President Boris Trajkovski. We will then return to the hearing for questions from the Members for Sec-

It was just about 1 year ago when Secretary Jones appeared at a similar hearing on United States priorities in Europe. At that time, we were at the height of the debate over Iraq and just before hostilities commenced. I noted with concern the high level of public disagreement then between the United States and a few countries in Europe which had traditionally been some of our closest allies. During the hearing, I stated that the harsh rhetoric exchanged and the anti-American attitudes we were observing throughout Europe were, at least, disconcerting.

The debate over Iraq caused a great deal of concern for the future of the transatlantic relationship. I asked our distinguished Assistant Secretary if the dispute over Iraq would affect the very structure of the transatlantic relationship and intensify the difficul-

ties we traditionally have with Europe?

I would appreciate, Madam Secretary, your assessment on this matter as it stands today.

I believe that the U.S.-EU Summit last June, arguably at the lowest point of transatlantic relations in some time, reaffirmed that we and Europe really must work together for global stability, democracy and prosperity. It would seem that since then, there has been an increased commitment on both sides of the Atlantic to mend fences and to seek stronger cooperation. Evidence of that was apparent during the recent visit of German Chancellor Schroeder

and the multilateral approach we took with our European and Canadian friends regarding a political solution to the violence in Haiti. We look forward with anticipation to the forthcoming G-8, U.S.-EU and NATO Summits for positive signs of a new era in our

relations with the nations of Europe and their Union.

As I stated last year, no two regions in the world share a history, a common set of values and a global vision as much as do the United States and Europe. In Europe our core national interests are fully engaged. Our trillion-dollar economy, and our systems of trade and security are integrally linked with the European continent. With our European partners we share a wider range of interests and a higher level of cooperation on issues than with any other region in the world. These issues range from counter-terrorism, to stability in the Balkans and Afghanistan, to peace and unity in Iraq, and on a solution to Cyprus problems. Between the United States and Europe, we possess the greatest ability anywhere to address solutions to transnational issues such as organized crime, drug trafficking, proliferation of weapons of mass destruction, communicable diseases and money laundering.

For our part, this House has tried to set the example for closer relations. Last fall the House passed, without dissent, a resolution I introduced reaffirming the importance of the transatlantic relationship. We have even seen the creation of a Friends of France Caucus here in the Congress, with over 45 Members in the House and close to 20 in the Senate. Two weeks ago, Members of that Caucus, led by our colleague, Amo Houghton, traveled to Paris and were warmly received by President Chirac and other top officials in his government, the French Parliament and the opposition. I also led a delegation of House Members to Brussels, Paris, and London as part of the annual February NATO Parliamentary Assembly. In every instance, we had good, constructive, and amiable discussions with our fellow Parliamentarians about Iraq, Afghani-

stan, and other challenges.

On the other hand, I was a little concerned a few weeks ago when Secretary Powell appeared before the full International Relations Committee and did not mention Europe at all in his written text. We always look for those kinds of things, you know. Similarly, the President's budget request for fiscal year 2005 showed a significant reduction in funding in programs directed toward democracy promotion, political party development, open media, and economic assistance to southern and eastern Europe.

So, today, I will again ask the Secretary how has the relationship faired since we last met? And what are the interests of the United States in Europe? There are other very specific concerns regarding Europe which I will briefly mention in closing and hope the Sec-

retary will address.
U.S.-EU relations must continue to mature as the Union widens and deepens. We watched with great interest last fall the debate over the draft constitution for Europe and with some concern over the direction of European security and its relationships to NATO. We still have issues to address with the EU, such as our trade disputes as highlighted by the recent imposition of sanctions on U.S. products in response to our laws on Foreign Sales Corporations.

However, I think we recognize the importance of working together

as partners.

We are encouraged by the resumption of the U.N.-sponsored peace negotiations designed to resolve the Cyprus problem and look forward to a united Cyprus entering the EU this May. I continue to be optimistic that this is the time for maximum leverage which can finally bring Cyprus together on some sort of a confederation or Federal system. On the other hand, the recent election outcome in Northern Island appears to have brought the peace process to a disappointing halt, stalled, at least.

In the Balkans, the not-unexpected slow pace of development in Kosovo and the resumption of talk about independence remains problematic. Recent elections in Serbia resurrected the nationalist parties which were so much a part of the past problems in that na-

tion.

In the Caucasus region, we observed a "rose revolution" in Georgia, which seems to have made a significant and positive difference for the future of that country. Conversely, we were disappointed in the recent presidential elections in Armenia and Azerbaijan which, as observed by the National Democratic Institute, "failed to meet minimum international standards." Additionally, the peace process in the Ngorno-Karabagh dispute seems to be at a standstill and points to the work which still must be done in that region.

There is growing concern with respect to the direction President Putin is taking Russia. Concern continues to mount regarding the handling of the press, the opposition and oligarchies who oppose his policies. Will elections in a few weeks turn Russia for the better or for the worse? And I might say, in the meetings in Brussels with our colleagues from the NATO Parliamentary Assembly, there seems to be a uniform concern about what is happening in Russia.

Ukraine and its painfully slow development of democracy continues to be stalled by a few who cannot seem to let go of their authority. Although we are cautiously optimistic that President Kuchma will not seek reelection, we are concerned that his supporters will do whatever is necessary to bypass democratic processes to ensure a continuity of government under their control.

In Belarus there appears to be no significant progress on the part of the Lukaschenka government toward becoming a functional democracy. The recent unification of the opposition political parties raises some hopes for a good parliamentary election this fall. We met representatives of those parties 2 weeks ago in the Speaker's office, and I made some commitment that we would try to do our part to focus the spotlight of international scrutiny on the election process in Belarus. I think the eight representatives from the Coalition Five Plus who came here to Capital Hill deserve our support. They are brave people. Their journey to bring real democracy to Belarus will be daunting, so they need our encouragement and support.

There are other areas of interest to this Subcommittee which I hope our hearing today will address. This will help us to better understand and more precisely define our foreign policy goals as they relate to Europe.

I look forward to the testimony of our distinguished witness and now I am pleased to recognize the distinguished gentleman from Florida, the Ranking Member, Mr. Wexler.

[The prepared statement of Mr. Bereuter follows:]

PREPARED STATEMENT OF THE HONORABLE DOUG BEREUTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA, AND CHAIRMAN, SUBCOMMITTEE ON EUROPE

Today the Europe Subcommittee will hear from Assistant Secretary of State, Eliz-

abeth Jones, on U.S. policy interests in Europe.

It was just about one year ago when Secretary Jones appeared at a similar hearing on U.S. priorities in Europe. At the time, we were at the height of the debate over Iraq and just before hostilities commenced. I noted with concern the high level of public disagreement between the U.S. and a few countries in Europe which had traditionally been some of our closest allies. During the hearing, I stated that the harsh rhetoric exchanged and the anti-American attitudes we were observing throughout Europe were disconcerting.

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problems in that nation.

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sia for the better or the worse?

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There are other areas of interest to this Subcommittee which I hope our hearing today will address. This will help us to better understand and more precisely define our foreign policy goals as they relate to Europe.

I look forward to the testimony of our witness.

Mr. WEXLER. Thank you, Mr. Chairman. This is our first hearing of the second session of the Subcommittee on Europe, and if the Chairman would allow me, I would like, first, to congratulate him on his appointment as President of the Asia Foundation. Many of us cannot think of anyone more deserving and qualified to lead this prestigious organization throughout the 21st century. I know I join many of the colleagues of the International Relations Committee and throughout the Congress in expressing our profound appreciation for your exceedingly exceptional devotion to this Committee and to the United States House of Representatives, particularly with respect to our foreign policy objectives.

America has few true statesmen left. Chairman Bereuter, you are one of those that this country has been fortunate enough to have in public service, and you represent the highest ideals of fair-

ness, integrity, and justice that our government has.

Mr. Bereuter. Thank you very much. I appreciate those kind remarks.

Mr. WEXLER. I would have let myself go on and on. It is that Midwest modesty.

I also want to thank Assistant Secretary Beth Jones for once again appearing before the Subcommittee. Secretary Jones should be praised for her steadfast commitment to promoting and protecting American interests throughout Europe and Eurasia and for her unwavering resolve in the face of a very difficult challenge in

terms of our transatlantic relationships.

Having just traveled from and to Brussels and The Hague, it has been my experience that the work that you are doing, Secretary Jones, is much appreciated, as well as the work of the State Department in total and U.S. Embassy officials throughout Europe, who, in fact, have worked tirelessly to repair transatlantic relations, to renew the dialogue between us and our European allies, and it is a task that is not appreciated nearly as much as it ought to be, and my hat is off to you, and I thank you.

Mr. Chairman, in this context, I cannot think of a greater foreign policy priority for us over the next year than continuing to rebuild and strengthen the transatlantic relationship. Recently, we have seen increased coordination between us and our European allies on a number of key issues, including the war against terror, Cyprus, the Middle East peace process, nonproliferation of WMD in Iran and Libya, as well as NATO peace-keeping operations in Afghani-

stan and maybe Iraq.

Despite successful cooperation over the past year, tensions, mistrust, and policy ambiguities still exist, and we should not hide from them. Given the daunting tasks ahead, we cannot afford to let these factors impede American, European, and international efforts to combat terrorism and proliferation of WMD. I am hopeful that the Bush Administration will renew genuine efforts to mend the transatlantic divide and move beyond mere rhetoric in the months ahead, resulting in substantive progress on the ground, including increased cooperation in rebuilding Iraq. Help from our European allies is desperately needed.

Yesterday's gruesome terrorist attacks in Iraq, killing over 140 Shiite Iraqis, are solemn reminders of the festering dangers to both Americans, Iraqis, and coalition forces in the war-torn nation. And we will not succeed in Iraq—I hope everybody realizes—without

the help of our European allies.

America and Europe must also succeed in rebuilding Afghanistan. We are a positive model for an intensive transatlantic cooperation that is being fostered under the capable leadership of NATO. Our European allies and NATO should be praised over and over again for their unequivocal commitment to this effort and for their initiative in taking command of provincial reconstruction teams throughout the country. Despite positive developments, serious economic and security problems threaten Afghanistan's progress. Regional chaos and political instability outside the Afghan capital of Kabul, as well as record growth in opium, must be immediately addressed if Afghanistan is to obtain long-term stability.

In the Balkans, Eastern Europe, and throughout the Caucasus, the United States and Europe must work in coordination to bring greater democracy and freedom. While I am encouraged by the so-called "rose revolution" in Georgia, I am increasingly concerned about the democratic backsliding in the Ukraine and Russia and the lack of international resolve in ending the disastrous situation

in Chechnya.

In the Balkans, many nations are taking bold steps to integrate into Europe and Euro-Atlantic organizations, and they deserve in-

creased support and recognition from the United States and Europe in this effort. It is critical to stability in this region and to the United States' interest to continue to play a special role militarily in Bosnia and in Kosovo.

Finally, we must urge Belgrade, a nation that has made significant defense reforms in its quest to join NATO's Partnership for Peace, to cooperate fully with The Hague and bring war criminals

to justice.

Mr. Chairman, there is no greater priority for the United States in Europe than to assist the world's only Muslim-majority democracy, Turkey, in its effort to join the European Union in December. I greatly appreciate the Bush Administration's efforts in this regard, and I am encouraged by recent EU statements, including that of German Chancellor Schroeder and British Foreign Secretary Straw, in praising the government of Turkey for enacting sweeping political, economic, and social reforms commensurate with the Copenhagen Criteria. Now is the time for the EU to reward Turkey for its comprehensive reform efforts, set a date in December 2004 for accession talks, and send a strong message to the world that the European Union is an inclusive, equal-opportunity organization.

Mr. Chairman, I very much look forward to Secretary Jones' comments. I know our time is short, and you need to go for a moment or two, so I will stop and thank you very much for being here.

[The prepared statement of Mr. Wexler follows:]

Prepared Statement of the Honorable Robert Wexler, a Representative in Congress from the State of Florida

As we hold the first hearing of the second session of the Subcommittee on Europe, I want to congratulate Chairman Bereuter on his recent appointment as President of the Asia Foundation. I cannot think of anyone more deserving and qualified to lead this prestigious organization in the 21st century. I join my colleagues on the House International Relations Committee and in Congress in expressing my most profound appreciation for the Chairman's extraordinary commitment to furthering our nation's foreign policy objectives and to strengthening the historic transatlantic relationship. The United States Congress has few true statesman like Chairman Bereuter who represent in the highest regard American ideals of fairness, integrity and justice. I wish him the best of luck in this new endeavor and look forward to his continued leadership in addressing pressing political, security and economic issues in the Asia-Pacific region.

I also want to thank Assistant Secretary of State Beth Jones for once again appearing before this subcommittee. Assistant Secretary Jones should be praised for her steadfast commitment to promoting and protecting U.S. interests throughout Europe and Eurasia and for her unwavering resolve in the face of difficult challenges facing our nation abroad. Having just traveled from Brussels and The Hague, I can tell you that I have the utmost appreciation and respect for the work of Ms. Jones, as well as the State Department and U.S. Embassy officials who have worked tirelessly to repair tattered Transatlantic relations, renew dialogue and expand co-

operation with our European allies.

Mr. Chairman, in this context I cannot think of a greater foreign policy priority for the United States over the next year and in the foreseeable future than strengthening the Transatlantic relationship. Recently we have seen increased coordination between the United States and Europe on a number of key issues, including the war against terrorism, Cyprus, the Middle East peace process, non-proliferation of WMD in Iran and Libya as well as NATO peacekeeping operations in Afghanistan and possibly in Iraq. Despite successful cooperation over the past year, tensions, mistrust and policy ambiguities still exist across the Atlantic. Given the daunting tasks ahead, we cannot afford to let these factors impede American, European and international efforts to combat terrorism and prevent proliferation of WMD.

I am hopeful the Bush Administration will renew efforts to mend transatlantic relations and move beyond mere rhetoric in the months ahead, resulting in sub-

stantive progress on the ground, including greater U.S.-European cooperation in rebuilding Iraq. Tuesday's gruesome terrorist attacks in Iraq, killing over 140 Shiite Iraqis, are solemn reminders of the festering dangers that exist to Americans, Iraqis and coalition forces in this war-torn nation as well as the need for greater European and international assistance in the peaceful transfer of power to Iraqis later this year. America cannot afford to fail in Iraq, nor will it succeed without the help of

our European allies

America and Europe must also succeed in rebuilding Afghanistan—where a positive model for intensive transatlantic cooperation is being fostered under the capable leadership of NATO. Our European allies in NATO should be praised for their unequivocal commitment to this effort and for their initiative in taking command of Provincial Reconstruction Teams throughout the country. Despite positive developments, serious economic and security problems threaten Afghanistan's progress. Regional chaos, political instability outside of the Afghan capital of Kabul as well as record growth of Opium poppies must be immediately addressed if this nation is to obtain long-term economic growth and political stability.

In the Balkans, Eastern Europe and the Caucasus, the United States and Europe

In the Balkans, Eastern Europe and the Caucasus, the United States and Europe must work in conjunction to bring greater democracy, freedom and prosperity to these troubled regions. While I am encouraged by the so-called "Rose Revolution" in Georgia, I am increasingly concerned about democratic backsliding in the Ukraine and Russia and the lack of international resolve in ending the disastrous

situation in Chechnya.

In the Balkans, many nations have taken bold steps to integrate into Europe and Euro-Atlantic organizations, and they deserve increased support and recognition from the United States and Europe in this effort. It is critical to stability in this region that the United States, in cooperation with the EU, continue to play a special role militarily in Bosnia/Herzegovina and Kosovo. Finally, we must urge Belgrade, who has made significant political and defense reforms over the past year in its quest to join NATO's Partnership for Peace, to cooperate fully with the The Hague and bring war criminals, such as General Mladic and Radovan Karadzic, to justice. Mr. Chairman, there is no greater priority for the United States in Europe than to assist the world's only Muslim-Majority Democracy, Turkey, in her effort to join the European Union in December 2004. I greatly appreciate the Bush Administration's efforts in this regards, and Lam engage and by recent EU statements, including the statements included.

Mr. Chairman, there is no greater priority for the United States in Europe than to assist the world's only Muslim-Majority Democracy, Turkey, in her effort to join the European Union in December 2004. I greatly appreciate the Bush Administration's efforts in this regards, and I am encouraged by recent EU statements, including that of German Chancellor Gerhard Schroeder and British Foreign Secretary Jack Straw, in praising the government of Turkey for enacting sweeping political, economic and social reforms commensurate with the Copenhagen criteria. Now is the time for the EU to reward Turkey for its comprehensive reform efforts, set a date in December 2004 for accession talks and send a strong message to the world that the European Union is an inclusive, equal-opportunity organization and not an exclusively Christian club.

As Americans and Europeans come together this June in recognition of the 60th anniversary of D-Day and the liberation of Europe from Nazi Germany, it is incumbent on both sides of the Atlantic to reflect on the enormous contributions to peace, stability and democracy this alliance has made throughout the globe. It is critical that we build on the past success of this alliance and redirect our energies to face the most difficult foreign policy challenges since the end of the Cold War. Today with mounting security threats and obstacles to world peace, it is critical that we acknowledge and work closely with our European Allies, whom we share common

values, strategic interests and economic ties.

Mr. Bereuter. Mr. Wexler, thank you very much for your comments, for your generous comments, directed to me and your comments on the issues that face us. I find myself, with respect to those issues, very much in agreement with you. I will not be leaving the Congress until September 1st, so we have a lot of work I would like to accomplish here in the Subcommittee, with your cooperation and assistance, which I have always had. Thank you.

I want to announce, before we turn to Secretary Jones, that, on Thursday of last week, Mr. Price, our colleague from North Carolina, Mr. Frost, Mr. Dreier, and I introduced a resolution which would resume activities that the Congress wants pursued under the so-called "Frost-Solomon-Codell Task Force," whereby the House of Representatives reached out to the parliaments in the emerging democracies in the Warsaw Pact countries and certain

other countries in the Balkans. That was under the leadership, of

course, of Speaker Foley at the time.

And so what we are hoping to do is resume that effort, and I believe we will be marking it up in this Subcommittee. The Rules Committee has jurisdiction as well, and, of course, we would work in cooperation with the US/AID toward those ends. The focus, of course, would be on not only the Balkans but also the Caucasus re-

gion and perhaps even into the Central Asian republics.

Now, turning to our distinguished witness, Secretary Elizabeth Jones, Assistant Secretary for European and Eurasian affairs since May 2001, she was a senior adviser for the Caspian Basin Energy Diplomacy, after having been Principal Deputy Assistant Secretary to the State Department's Bureau of Near Eastern Affairs. Secretary Jones was Ambassador to the Republic of Kazakhstan and executive assistant to Secretary of State Warren Christopher.

Her overseas assignments were concentrated in the Middle East, South Asia, and Germany. She was Deputy Chief of Mission in Bonn and Islamabad. She is a career member of the Senior Foreign

Service, class of career minister.

Secretary Jones, we look forward to your statement. I understand it is 8 to 10 minutes. We will not run the clock. Your full statement, however, will be made a part of the record, and you may proceed as you wish.

## STATEMENT OF THE HONORABLE A. ELIZABETH JONES, AS-SISTANT SECRETARY, BUREAU OF EUROPEAN AND EUR-ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. Jones. Thank you very much, Mr. Chairman. Thank you for inviting me here today. Thank you for your comments. I would like to thank you especially, though, for your very strong leadership of

the NATO Parliamentary Assembly.

As you mentioned, we have had a difficult year in transatlantic relations. It is my firm belief, and my colleagues share that, that every possible avenue of engagement is very fruitful, very necessary in order to repair the relationship but also to assure that the relationship is as broad as it deserves to be, and we are very grateful for your very strong, very committed leadership in working with us and with European parliaments over the past year and in past years.

As much as I join Mr. Wexler in congratulating you on your new life at the Asia Foundation, I must say, for our part, in the Europe-Eurasia Bureau in the State Department, we will miss you very much. We look forward to our continued collaboration until September one and hope very much that the Asia Foundation will find fruitful work, especially in the Eurasia part of my bureau. So I look

forward to working with you in your next capacity.

Mr. Bereuter. We seem to have a convergence on Afghanistan. It is the biggest program area for the Asia Foundation now, and, of course, we could not help, Mr. Wexler and I, in talking of Europe, of also talking about Afghanistan and Iraq. So I am sure there will be areas where we can work together.

Ms. JONES. Absolutely. We look forward to that.

In this past year and in the next year, we are very much focused in the State Department in my region on renewed cooperation with Europe in meeting global challenges. We have found a way, partly through your efforts but also through some very aggressive, very strong engagement in every possible area, to turn the page on Iraq and work together to assure success in Iraq with our European friends and allies. This was, as you mentioned, a particular subject of discussion when Chancellor Schroeder was here last week meeting with President Bush. It is certainly part of the discussion that we have with France, and I know Secretary Powell very much agrees with you that the recent cooperation and partnership collaboration that he has had with his French colleagues over Haiti has been extremely useful and productive.

I would also like to endorse Mr. Wexler's comments and thank him for his comments about the work that our Embassies in Europe have been doing over the past year in order to address some of the difficulties in the transatlantic relationship. There has been no stone left unturned in terms of public diplomacy, engagement on the part of our Ambassadors and our Embassies in very many of our capitals in Europe, and I really thank you for recognizing that,

as do we.

The year 2004 is a year of transitions. Obviously, there will be a transition on sovereignty in Iraq, but also it is a very important year in terms of transitions for NATO and the European Union. The team work that the United States engages in with the European Union to manage these transitions is extremely important to us. I would point to the collaboration that was evidenced in the ministerial that Secretary Powell held with his European colleagues on Monday as a step in that effort and as evidence of how well we are doing with our European friends and allies and with the European Union.

As you mentioned, there will be a G-8 Summit, a U.S.-EU Summit, and a NATO Summit in June. We are working very hard to put meat on the bones of those summits to demonstrate the close collaboration we have across the Atlantic, but also to put in greater evidence that when the United States and Europe work together anywhere in the world, we do so with great success, and we do so

with far greater success than if we were to work alone.

The seven new members that are joining NATO this spring really add strength to NATO. It allows NATO to be even more effective outside of Europe. I point especially to the excellent work that NATO is doing in Afghanistan. We constantly hear from our European friends and allies of the thinking that they are doing to increase their engagement in Afghanistan, to add to the provincial reconstruction teams, to find new ways that we can all work together to bring success in Afghanistan. For instance, of the 38 troop contributors in Afghanistan, 30 of them come from the countries in my bureau. In Iraq, we have a similar, very strong, European participation. Of the 34 troop contributors in Iraq, 22 of them come from the countries in the region that I work with.

We have consultations with the Europeans not only on these kinds of issues, on security issues, but we also are increasingly active with them in global issues, in HIV/AIDS, not only in Africa but also in Russia and Ukraine and some of the countries closer to home, where we want to be sure to get ahead of an epidemic and what could be a serious demographic difficulty in these countries.

Obviously, the global war on terrorism is a subject under discussion constantly with our European friends and allies, particularly in law enforcement and in intelligence exchange in combatting terrorist financing, and there has been a tremendous amount of collaboration on securing container security and on aircraft security, air security.

There is a lot of work under way as well on weapons of mass destruction, on nonproliferation. The Proliferation Security Initiative is working well. We have a lot of good initiatives under way, thanks to a lot of the good work and good thinking on the part of our European friends and allies.

We are looking closely at the changeover that is taking place in the Russian government. President Putin just announced the appointment of a prime minister designate, Mr. Fradkov, earlier this week. He is to appear before the Russian Duma on Friday, and the expectation is that he will select a new cabinet before the end of next week; in other words, before the Russian election.

Secretary Powell was in Moscow at the end of January. He had very lengthy and productive discussions with President Putin, with Foreign Minister Ivanov, and with Defense Minister Ivanov. He would certainly describe these conversations as an honest exchange of views on the full spectrum of issues that are before us. He is very clear that we have a very strong strategic relationship with Russia.

There are very many elements to it, many of them positive, such as the work we have done together on North Korea on the global war on terrorism, but he also emphasized in his conversations that it is important for Russia to cooperate with the United States and with the European Union to resolve conflicts, including Chechnya in the former Soviet space, and to create a stable situation in the countries around the edge of Russia, as well as in Chechnya itself.

One of the issues that concerns us and that Secretary Powell had a good set of discussions about is what appears to us to be an imbalance among the executive, legislative, and judicial branches in Russia. The direction of reforms in these areas is out of balance. It is an area that is part of the strategic relationship between the United States and Russia, it is part of the strategic relationship between Russia and Europe, and it is important for us to engage in.

As you very rightly said, we are working extremely hard with Ukraine in the run-up to elections. One of the things that we have impressed upon the Ukrainians is that you cannot have a successful election on election day. The way to assure a free and fair election is to work on all of the institutional elements that are part of a free and fair election at least a year and probably longer in advance of that. We have had quite a number of conversations with President Kuchma and with others in authority in Ukraine. We look forward very much to influential people in and out of the Administration having those conversations.

If there is any possibility, Mr. Chairman, that you will be in the region, it would be very useful if you provided your strong guidance and had a conversation with President Kuchma as well to impress upon him the importance of the processes being in place for a free and fair election.

Mr. Bereuter. Madam Secretary, may I interject that, in fact, will lead that NATO Parliamentary Assembly delegation to Ukraine on the way to our spring meeting in Bratislava in May, and our Ambassador and I have already had conversations about that, but I would welcome any assistance and briefing items on

that issue before we leave for Bratislava. Thank you.

Ms. Jones. Absolutely. We will have a very extensive discussion because of the importance of this issue for the United States, for Ukraine, and for Ukraine's future. Ukraine has set for its future a future in Europe and in the transatlantic institutions, and we have impressed upon Ukraine that a free and fair election is part of its NATO future, if it is to have one. It is part of its future with the European Union. It is not a piece set by itself.

Belarus has elections coming up as well. We also are working very hard to help put in place some of the institutions that are necessary to assure a free and fair election. We, too, had very productive, good conversations with the Plus Five Group, and we will continue to have those kinds of clear conversations, if I may put it that

way, with Prime Minister Lukashenko and his colleagues.

The other transitions that are particularly important this year are in the Balkans. In Bosnia, SFOR will draw down to 7,000 troops in June. The centrifugal political forces are ebbing. We think that we have a lot of reforms that have worked very well. Certainly, High Representative Paddy Ashdown has led a very successful effort there. We hope that at the NATO Summit a decision will be made to end the NATO role in Bosnia. The European Union has expressed a willingness to take over to provide for peace and stability so that the reforms can continue in the direction that all of us would like.

In Kosovo, we are working hard with UNMIK there and with the people with Kosovo, as well as we hope to work with the new government in Belgrade, to press forward on the standards before a status effort that we have under way so that the people of Kosovo can take more and more charge of their institutions and develop

their ability to govern themselves.

Cooperation with the International Criminal Tribunal in The Hague is extremely important. We have been disappointed that we have not made more progress this year in terms of transferring some of the most infamous of the war criminals to The Hague. We continue to press this extremely hard. I cannot guarantee success, but certainly there is a very, very strong effort under way to see Mr. Karadzic, Mr. Mladic, and Mr. Gotovina in The Hague as soon

as possible.

We have put a very strong emphasis on trafficking in persons in our region. This is a very important part of our global focus and transnational issues. This is part of our effort to secure borders to go after criminality. We were very gratified that 12 countries in Southeastern Europe mounted a joint mission called "Operation Mirage" in September, which resulted in some 200 traffickers in persons being arrested. This is the kind of thing that we hope to see a lot more of. We have devoted a lot more of our resources to this effort, and we have no question that the countries of our region understand the importance of this and the importance of this issue as part of the effort to address the global threats.

We are also working hard with the various European leaders to ensure that they understand the importance of addressing anti-Semitism in their societies and in their countries. They are now addressing this question head on. We are very glad that the OSCE is hosting and sponsoring a second Anti-Semitism Conference this year in April. It will be hosted by Germany in Berlin, and we look very much forward to putting in place even more practical solutions to address the anti-Semitism problem in Europe.

Some of the other areas where we have been very gratified by success in our efforts with our European friends and allies are particularly in counter-terrorism, as I have mentioned, flight and container security and terrorist financing. These do not get a lot of headlines, but there is tremendous success in these areas almost

every day.

The Madrid Donors' Conference that produced 37 and a half billion dollars for Iraq was a very, very important milestone, very important effort, and very important signal on the part of the Europeans that they are ready to work with us for the future to secure

a positive future for Iraq.

The "revolution of the roses" in Georgia was an indicator of the success of our programs, the OSCE programs, the EU programs in Georgia. The success, though, needs to be confirmed in terms of really assuring that corruption can be eliminated, that police and police training can be done in a way that serves the people rather than corruption, and we will be working very closely with President Saakashvili in his efforts to assure greater stability in bringing in some of the regions of Georgia that have not been particularly willing to participate in Georgia as a complete, sovereign country.

Last, I would like to mention the Diplomatic Readiness Initiative. Thank you for your support for it. Thank you for Congress's support for it. This has, maybe more than anything else, allowed our Embassies overseas to work much more effectively. It has allowed us to fill in people in positions that we did not have. It has really allowed us to work very hard, very well in the global war on terrorism and to allow us to bring back together, as much as we have succeeded in doing so, the transatlantic relationship, and we are very grateful for that program and hope very much that the kind of training that it has allowed us to do can continue for the good of the American people.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Jones follows:]

PREPARED STATEMENT OF A. ELIZABETH JONES, ASSISTANT SECRETARY, BUREAU OF EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman, Members of the Committee, I am pleased to be with you today to review the Administration's priorities in Europe, including Russia and the Caucasus. I would like to take this opportunity to compliment you, Mr. Chairman, for your inspired and dedicated leadership of the NATO Parliamentary Assembly. I would also like to welcome Congressman Blunt who has returned to this Committee. We look forward to working closely with all of you.

We have made real progress with our European allies since I appeared before you last March. The differences of last year have given way to a firm conviction on both sides of the Atlantic that we must and can succeed together in Iraq, as we do when we close ranks to address other challenges to our shared values. We share with our European partners a conviction that global threats are most effectively met when

we act in concert.

The greatest challenge our societies face today is the nexus of terrorist and WMD threats, facilitated by failed states, dictatorship, and violent extremism. That is why we are working with our European partners—in the G8, through U.S.–EU relations, and through NATO-to support the long-term transformation of the Greater Middle

East through freedom-based reform.

Our relations with Europe are extensive, multilayered and multifaceted. We consult regularly on virtually every issue. We work with our European friends not only bilaterally but multilaterally as well. The President will have summits with NATO, EU, and G–8 partners this June, which will present valuable opportunities to move forward on a wide range of pressing issues. We also work with the Europeans in the UN, the OECD, the OSCE, and in countless other institutions and organizations.

#### NATO

NATO, the core of the transatlantic security relationship, is transforming itself into an Alliance for the 21st century and is playing a major role in the War on Terrorism. For the first time in its history, NATO is conducting operations outside Europe. Our Allies clearly agree that we face common threats that must be addressed rope. Our Allies clearly agree that we face common threats that must be addressed globally. In Afghanistan, NATO forces have taken over command of the International Security Force in Afghanistan and expanded ISAF operations beyond Kabul. Six thousand troops from 17 NATO countries are now on the ground there. In Iraq, NATO is supporting the Polish-led Multinational Division.

Our intent is for NATO to do even more to bring peace and stability to Afghanistan and Iraq. Afghanistan is the immediate priority. We would like to see NATO

establish several new Provincial Reconstruction Teams by this summer. Within 12-18 months, serious consideration should be given to bringing Operation Enduring Freedom and the International Security Assistance Force together under a single NATO command. In Iraq, as sovereignty is transferred to the Iraqi people this summer, NATO should consider options for a broader role.

NATO is increasingly able to respond to global threats wherever they arise. The Alliance has established a standing NATO Response Force designed to deploy in five days, and it has streamlined the command structure, slashing the number of command headquarters. Capabilities, however, remain an issue. NATO's members must commit the forces needed to meet today's increasing demands. This spring NATO will celebrate another milestone in its transformation when seven new members join the Alliance. As NATO's membership expands, the Alliance's engagement with neighbors to the south and east widens. By the NATO Summit in June, we hope the Alliance will be ready to offer practical cooperation to interested governments in the Greater Middle East to address common threats. This would be one key component in the President's broader initiative, on which we are working in close co-ordination with the National Security Council and my colleagues in the Bureau of Near Eastern Affairs.

With seven members of the Partnership for Peace (PfP) about to join the Alliance, NATO is also working to refocus PfP on the Caucasus and Central Asia, front-line regions in the War on Terrorism where PfP's culture of cooperation and inter-oper-

ability can make a greater contribution to our common efforts.

We are also working hard to develop further other key NATO partnerships with the European Union and Russia. The NATO-Russia Council is only two years old, but has already taken relations to a new level, as Russia interacts with the Allies as an equal at the table, discussing security issues and seeking solutions. NATO—EU relations are key to the transatlantic community's ability to act collectively. By June, NATO should be ready to announce that its Stabilization Force in Bosnia will complete its mission successfully by the end of the year. The EU has agreed to deploy a mission to help that country continue to stabilize and integrate into Europe. This will be a major test of the EU's ability to work in tandem with NATO, which will retain a presence in Bosnia, to protect our common security.

#### EUROPEAN UNION

We seek a partnership with the European Union that enables us, together, to take concrete action on international problems. This partnership must necessarily evolve as the EU enlarges. On May 1 the European Union will welcome ten new member states. The United States enthusiastically supports this historic step. The consolidation of Central Europe's journey to free market economies and democracy through membership in the European Union will deepen our relationship with the new members states as well. For these countries, "more Europe" will also mean "more America," as our bilateral dialogue will expand to encompass the breadth of the U.S.– EU relationship. All European Union members—old and new—understand the strain the growing membership places on governance structures. For two years the EU has been working on a new constitutional arrangement to help meet the needs of an enlarged Union, and they continue to work out the critical remaining issues.

We work energetically with the EU to help raise the quality of life and spread the principles of democracy and free markets world-wide. We are encouraging the EU to place greater emphasis on its "new neighbors" in the Caucasus, and the Europeans have been taking up the challenge. Our interests in this important region democracy, human rights, regional security, and energy—are the same, and our programs complement one another.

In the past year, the European Union has made progress in developing its Eurothe past year, the European Chion has made progress in developing its European Security and Defense Policy (ESDP). Last year saw the first successful test of the cooperative arrangement for NATO to provide support to EU-led military operations, known as "Berlin Plus," in Macedonia. That mission has now been successfully concluded and replaced by an EU civilian mission. As I mentioned earlier, this year's proposed transfer of security responsibilities in Bosnia, with the EU drawing on NATO assets and capabilities, will be a larger and more significant test of these arrangements. We believe that focusing on the practical ESDP issues involved in a Bosnia mission will help us move beyond last year's theological debates over sepa-

rate planning headquarters.
Economically, the U.S.-EU relationship is strong and mutually advantageous. Transatlantic trade and investment totals nearly two trillion dollars, and the United States and the European Union are the largest investors in each other's markets. Of the \$5 trillion in foreign assets owned by U.S. companies, nearly 60% are in Europe. Similarly, nearly three-quarters of all foreign direct investment in the United States comes from EU investors. U.S.-owned affiliates in Europe employ six million workers; over four million Americans work for European companies. These are

clearly ties that bind us together.

#### U.S.-EUROPEAN COLLABORATION IN THE WIDER WORLD

U.S.-European relations have advanced, and will continue to advance, U.S. foreign policy interests not just in Europe, but beyond. Increasingly, our work with Europe focuses on meeting global challenges. As we look ahead, we see even more U.S.-European collaboration in managing transitions both inside and outside the region. The United States sets ambitious goals and takes a leadership position on many issues, but we are most effective when we work together with friends and Allies.

While differences remain over the Kyoto Protocol and the International Criminal

Court, positive trends are also clear.

We injected new energy into our security cooperation with the EU by signing a joint statement on non-proliferation, resulting in closer coordination on multilateral export control regimes and safeguarding of nuclear materials in the former Soviet Union. Several members of the European Union have joined the Proliferation Secu-

rity Initiative to interdict the illicit transfer of nuclear equipment.

The EU and member states coordinated closely with us in the IAEA to put pressure on Iran to bring its nuclear program into compliance with IAEA rules. Together with the IAEA, we are working closely to verify Iran's commitment to suspension of enrichment-related activity and transparency. We will continue to stress to our EU partners and to Russia that any nuclear cooperation with Iran remain on hold until Iran's commitment has been carried out and verified.

Libya's about-face on its weapons of mass destruction programs and renunciation of terrorism is the prize for keen, quiet diplomacy we conducted with help from the United Kingdom and Italy. The significance of this reversal and of Libya's efforts to rejoin the community of nations cannot be overstated. We welcome Libya's change

of course and encourage other countries to follow Colonel Qadhafi's example.

Following our success in Libya, the EU is seeking similar pledges from Syria, tying progress on this issue into the Association Agreement they are presently negotiating with Syria. Syria's access to EU markets would then depend on such pledges. We think it is important that improvements in economic relations between Syria and western countries be accompanied by meaningful steps to move Syria away from proliferation and terrorism. More broadly in the Greater Middle East, we hope to work with the G-8 and the EU to implement the President's vision of bringing more prosperity and open political participation to the region.

In military affairs, U.S.-European cooperation is contributing to stability in Eu-

rope and beyond. After American forces, European and Eurasian nations constitute the bulk of the coalition forces in Iraq and Afghanistan. Of the 34 countries with troops on the ground in Iraq, 22 are from Europe and the Caucasus, including 17 current and future NATO members. Poland commands the 17-nation multinational division in Iraq's south-central sector. Spain hosted the October Madrid Donors' Conference, where 41 international donors pledged over \$37.5 billion in assistance for Iraq. In Afghanistan, 30 out of 38 troop-contributing countries are from the region, including France and Germany. On March 31, Germany will host a donors' conference for Afghanistan.

Europe is a vital partner in the war on terrorism. We collaborate intensively on transportation security, including inspection of cargo containers destined for the United States and sharing data on airline passenger manifests. The number of arrests of suspected terrorists in Europe underscores the value of intelligence sharing. We work closely with our European partners in international fora to obstruct terrorist financing, such as in the UN Counterterrorism Committee, the G-8

Counterterrorism Action Group, and the Financial Action Task Force.

In light of the new threats posed by the post-Cold War world, we are taking a fresh look together at one of the oldest aspects of our relationship—the U.S. military presence in Western Europe. The goal of our global review of our military presence is to align our European defense posture with the flexibility and rapid response required for a 21st-century national security strategy. Many of our large, permanent-station bases are vestiges of the Cold War and its corollary military strategy. What we need today are lighter, more deployable forces, not new Ramstein-style bases with heavily garrisoned troops. We are proactively consulting with our European Allies and partners to explain to them the rationale behind our global review, as well as the potential implications for the U.S. defense posture in Europe. That is why Under Secretary Marc Grossman led a delegation to Berlin, Moscow, Brussels, Ankara, Paris and London in December to kick off a series of consultations, with DOD Under Secretary Feith traveling to Warsaw, Bucharest, Sofia, Rome, Madrid, and Reykjavik simultaneously. No final decisions will be made until full consultations are completed; feedback from Allies is critical to our decision-making process.

#### RUSSIA

With the Russians, we have made remarkable progress on a range of issues on which we share a vital common interest: in the war on terrorism, in countering the proliferation of dangerous weapons in North Korea and Iran, in combating trafficking in persons, and in fighting the HIV/AIDS epidemic. And we are headed in the same direction on major geopolitical issues in the Middle East, in South Asia and North East Asia. The fundamental U.S.-Russian relationship is strong, and there is potential for an even more productive strategic partnership. At the same time, certain developments in Russia's domestic politics and in its relations with neighboring states have raised concerns in many quarters.

neighboring states have raised concerns in many quarters.

On the Russian domestic scene, the Yukos/Khodorkovskiy case, the pattern of pressure on journalists and the independent broadcast media, the conduct of December's Duma elections and of the October presidential election in Chechnya—all these observable facts raise questions about the strength and depth of Russia's commitment to democratic reform and the rule of law. Reports of continued violence and human rights abuses in Chechnya remind us that there are those in the federal and local security forces—and among the separatists—who are still resorting to unacceptable methods of resolving a conflict that ought to be dealt with by civilized polit-

ical means.

On the external scene, pressures exerted on Georgia through the separatist regimes there and overheated rhetoric directed at the Baltic States have caused con-

cern, and not only in Washington.

Secretary Powell paid a highly successful visit to Moscow at the end of January both to strengthen relations with the Russians and to address these concerns. Secretary Powell emphasized to the Russian leaders—President Putin and his chief ministers—that we want a robust partnership with Russia. He stressed, though, that without a basis of common principles, the U.S.-Russian relationship would inevitably run into difficulties. The Secretary underscored the importance of rule of law, freedom of the media, and transparent and fair judicial procedures as core democratic values.

The Secretary emphasized to President Putin that our aim was to cooperate, not to compete, with Russia in the former Soviet space. Our programs in Eurasia aim to promote economic, political and military reform, encourage democratic habits and practices, and help the people of the region build their own civil societies. Ultimately, the goal is to create stable and prosperous partners—a goal that should be as much in Russia's interest as it is in ours.

What was the Russian response?

The Russian leaders heard Secretary Powell's message loud and clear. On certain issues, they were able to provide immediate responses, for example, they volunteered that they recognized Georgia's sovereignty and supported its territorial integ-

rity. On other issues, they clearly understood what we were saying, but had a different view. But in all cases, the exchange was open and honest; given the gradual transformation of the relationship from one of competition to one of partnership, this was as it should be.

Let me also update you on Georgia, Moldova and Russia's so-called Istanbul commitments.

#### Georgia

Just before the Moscow visit, both Secretary Powell and Russian Foreign Minister Igor Ivanov attended the inauguration of President Saakashvili in Tbilisi. This sent a strong signal of support to the new government there. President Saakashvili shortly thereafter made an official visit to Moscow and held productive discussions with President Putin. Last week he was here in Washington. His commitment to democracy, market economic reform, and anti-corruption provides a hopeful formula for a stronger Georgian partner, which will contribute to peace and stability throughout the region. We believe that Russian-Georgian relations should now take a turn for the better. I might add that we hope Russia's relations with Estonia, Latvia, and Lithuania will also improve. The successful integration of the Russianspeaking minorities there is key.

#### Moldova

Of all the frozen conflicts in the former Soviet space, the Moldova/Transnistria dispute offers the best hope for early resolution. The Russians attempted to broker a solution last fall outside of the established OSCE mediation mechanism; in the end that effort produced a proposal we could not endorse and the Moldovan government did not accept. The Russians have since told us they are still committed to the existing mediation process, and we look forward to moving beyond the current impasse.

#### Istanbul Commitments

We have been actively encouraging Russia at every opportunity to take the steps necessary to fulfill the commitments it undertook at the 1999 OSCE Istanbul Summit to remove materiel and forces remaining in Moldova and to agree with the Georgian government on the duration and modalities of the functioning of its remaining military bases in Georgia. We have made it very clear that ratification of the Adapt-

ed CFE Treaty requires Russia first to meet these obligations. Just a word about U.S.-Russian economic relations. The trends are essentially

positive, although Russia remains a difficult place to do business. Bilateral trade is improving, and our FREEDOM Support Act assistance on economic reform is a success story: increasingly we will target assistance projects to democracy-building and civil society rather than economic reform programs. Russia wants to join the World Trade Organization. The United States supports Russia's membership and has offered to help the Russian Federation improve its record on Intellectual Property Rights and attracting foreign direct investment. The energy sector in particular, while great in potential, has been full of surprises, and we are keeping a watchful eye on developments in that area. We support bringing more Russian energy resources to world markets to diversify sources of supply. The U.S.-Russia energy dialogue was created to develop bilateral cooperation in energy, encourage new commercial partnerships and expand energy investment in Russia. In sum, as American business-people will tell you, Russia is gradually improving as an economic partner. We hope the changes that began with the surprise dismissal last week of the Russian Government will accelerate positive reforms in President Putin's second term of office.

## UKRAINE AND BELARUS

Ukraine is scheduled for a leadership change, and we will closely monitor the run-up to October's presidential election. We have been working closely with the Europeans to be clear with the Ukrainian Government on the importance we attach to a free and fair presidential campaign and election, in keeping with OSCE principles. This message appears to be getting through. The Rada, Ukraine's parliament, has dropped plans to amend the constitution to eliminate popular election of the president of the pr dent, and President Kuchma has confirmed on nationwide television that he will not run for a third term. Nonetheless, the Government of Ukraine continues to restrict political and civil liberties, especially media freedom. We continue to urge the Government to respect its international commitments to democracy and to create the conditions for a free and fair presidential election. The demonstrated depth of Ukraine's commitment to democracy will have a major—indeed, a decisive—impact

on Ukraine's ability to realize its Euro-Atlantic aspirations and draw closer to institutions such as NATO and the European Union.

On the economic front, we applaud Ukraine's decision to favor the original plan for the Odessa-Brody oil pipeline to pump oil westward from the Black Sea to Poland. With our assistance funds, twenty "one-stop shops" for business registration opened in Ukraine, reducing registration time for new businesses from 30 to 14 days. Over 300 community roundtables and public hearings offered citizens the chance to voice complaints about bureaucratic burdens on small businesses. Their comments led to the adoption of a progressive national law on business regulation. Our commitment to the growth of small and medium enterprises in Ukraine shows

promise for the future.

Belarus is holding parliamentary elections in October. Over the last several months, the Government of Belarus has intensified its repression of civil society, re-numan rights. The United States and the EU work closely on poincy towards Belarus and plan to co-sponsor a resolution at the upcoming session of the UN Commission on Human Rights. The United States is funding a variety of programs to advance democracy and human rights in Belarus. We agree wholeheartedly with the sentiments in the Belarus Democracy Act of 2003 as incorporated in the House version of the Foreign Relations Authorization Act. We will continue to work with the EU to press for democracy and human rights in Belarus, but we oppose legislated constitute. The Secretary needs flexibility to implement the Administration. lated sanctions. The Secretary needs flexibility to implement the Administration's foreign policy, and we restrict backsliding and undemocratic practices by judicious use of assistance funds.

#### EASTERN MEDITERRANEAN

For Greek Cypriots and Turkish Cypriots, Cyprus's accession to the European Union on May 1 is a watershed moment in the decades-long conflict. The breakthrough in negotiations brokered by Secretary General Annan on February 13 brings a final settlement within reach. By March 22 Turkish and Greek Cypriots are to agree to the final text of an agreement. Should differences persist, the parties have agreed to allow the Secretary General to use his discretion to finalize the plan that will then be put to separate, simultaneous referenda on the island on April 21. The President and the Secretary of State both have been engaged in this process and we will continue to support strongly the Secretary General's efforts to reach a final settlement so that a united Cyprus can join the European Union on May 1.

Turkey's constructive attitude toward reaching a Cyprus settlement has improved its prospects for obtaining a firm date to begin EU accession talks in December, a priority U.S. goal. Turkey has also made enormous progress in improving its democracy and respect for human rights, underscoring its commitment to EU accession. If Turkey implements the necessary political reforms, the EU's beginning accession talks with Turkey will send a strong, positive signal that European and Muslim societies share deep interests in advancing democracy, fighting terrorism, broadening prosperity, and promoting peace. The NATO Summit in Istanbul in June is another important milestone on this path. We intend to use the Summit both to showcase Turkey's importance to Europe, and to the Greater Middle East as a reforming, secular society

The results of Parliamentary elections in Greece on March 7 should not have an impact on the increasingly close, productive relations we have with Athens. Greece has been a strong ally in fighting terrorism, including in its energetic prosecution of the November 17 group. As the largest international media event since the September 11 attacks, the Athens Summer Olympic Games pose a daunting security challenge. We estimate that 300,000 to 500,000 Americans will attend the Games. We are working closely with the Greek Government to do everything possible to make these Games the safest possible. The Greek authorities are aggressively addressing security issues.

# THE CAUCASUS

Georgia's "Revolution of Roses" in November demonstrated the pressures for political change that build when governments fail to keep their promises to their citizens. Newly-elected President Saakashvili has just completed his first official visit to Washington, where he met with the President, Secretary Powell, other Cabinet members, and of course, members of the House and Senate. In Georgia, our investment in exchange programs over the past ten years to promote democracy and the rule of law has paid off in a big way. President Saakashvili earned a law degree at Columbia University while on a Muskie/Freedom Support Act graduate fellowship. Fourteen other members of his cabinet also visited the United States or studied there under U.S.-funded exchange programs. Now, these men and women are putting that experience to work in the exciting and arduous endeavor of trans-

forming a former Soviet republic into a modern, western-oriented state.

Throughout 2003, the United States worked actively with both the Georgian Government and Georgia's political opposition in pursuit of free and fair parliamentary elections in November. In July, we helped broker an agreement between the government and opposition leaders on a series of procedural benchmarks that would ensure either that the election was free and fair, or that attempts to manipulate election results would be exposed. The United States provided over \$2 million in assistance for election monitoring, voter education, voter lists, and poll-worker training for the November 2003 Georgia parliamentary elections. Georgia's numerous and active non-governmental organizations, many of which have benefited from U.S. assistance, played a critical role in providing an independent assessment of the November parliamentary election and exposing falsified results released by the Government. The independent media, also supported by U.S. programs, are among the strongest in Eurasia.

Before last fall's revolution, we had spent a great deal of effort helping reformers in Georgia. Once the revolution took place and real, rapid reform became possible, we immediately sent a senior delegation to Tbilisi to work out a plan of action with the new authorities. We accelerated some spending and redirected other program funds to help stabilize the new government and to launch its ambitious reforms. We haven't slowed the pace. Our message is clear—if you reform, we'll be there to sup-

port your efforts.

We have also been working intensively with the other Caucasus states, Armenia and Azerbaijan. We are striving to reduce tensions between them in order to open up new possibilities for regional cooperation and trade. The key to doing this is to find a solution to the Nagorno-Karabakh crisis. The United States continues its role as Co-Chair, along with France and Russia, of the OSCE Minsk Group, whose objective is conflict resolution between Armenia and Azerbaijan. New leadership in those nations may break the deadlock on the politically difficult compromises necessary to negotiate a peace agreement for Nagorno-Karabakh.

#### THE BALKANS

We are committed to accelerating the Balkan countries' integration with Europe. We want to hasten the day when NATO's forces can go home, when nations can take responsibility for internal and regional security, and when the region takes its rightful place in a Europe whole, free and at peace.

rightful place in a Europe whole, free and at peace.

In both Bosnia and Kosovo, the international community is working on creating the conditions for diminishing its role and giving control to indigenous authorities.

In Macedonia, this process is complete.

The NATO-led Stabilization Force (SFOR) in Bosnia has nearly completed its mission. A generally stable security situation is enabling SFOR to draw down to 7,000 troops in June, a long way from the nearly 60,000 troops first deployed in late 1995. With membership in NATO's Partnership for Peace as their goal, the Bosnians have embarked on an ambitious program of defense reform, agreeing to create a single military establishment where once there were three. The U.S. will assist Bosnia in implementing defense reform both through a bilateral assistance program and through a future NATO headquarters in Sarajevo. Centrifugal political forces remain in Bosnia, but they are ebbing. High Representative Paddy Ashdown's strong leadership has pushed the governments in Bosnia to adopt the reforms necessary for the country to join the Euro-Atlantic community.

In Kosovo our focus is on standards of good governance and multi-ethnic democracy. In mid-2005, Kosovo will be formally evaluated on these standards and, if sufficient progress has been accomplished, a process will start to address Kosovo's status. The people of Kosovo know that the international community will pay particular attention to those standards dealing with cooperation among ethnic groups and tolerance, such as freedom of movement and return of displaced persons. Provisional Institutions of Self-Government are assuming specified responsibilities in Kosovo, and a multi-ethnic police force has earned the community's respect. The Kosovo Police Service increasingly assumes responsibilities formerly handled by the

UNMIK international police.

Macedonia is now reeling from the tragic death of President Boris Trajkovski in a plane crash February 26. Thanks to his years of work building strong government structures and fostering interethnic understanding, the Macedonian leadership and people have the necessary tools to weather this tragedy and keep moving forward.

Just three short years ago, the situation in Macedonia was much bleaker; an ethnic Albanian insurgency threatened the cohesion of the state. The U.S. and EU combined efforts to support the terms of the Ohrid Framework Agreement, which ended the insurgency. The Agreement is now nearly fully implemented, thanks to U.S.–EU teamwork. Stability and security have improved to the point that with the departure of the EU's "Concordia" military mission in December—the first ESDP mission—Macedonia has assumed complete responsibility for its internal security.

Progress in this region hinges on full implementation of the Dayton Agreement,

bunal for the Former Yugoslavia. These criteria apply to Bosnia, Croatia and Serbia and Montenegro. The capture and transfer to the Tribunal of fugitive war criminals, especially Ratko Mladic and Radovan Karadzic, remain a top priority for the United States and SFOR. which includes refugee returns and cooperation with the International Criminal Tri-

Efforts to improve rule of law and law enforcement, and to fight transnational crime, also remain high on our list of priorities in the Balkans. U.S. assistance to the Bucharest Regional Anti-Crime Center in Southeastern Europe (SECI Center) the Bucharest Regional Anti-Crime Center in Southeastern Europe (SECI Center) is showing results and enhancing the region's ability to combat cross-border organized crime cooperatively. Law enforcement cooperation with the EU in southeastern Europe shows promise. We are working closely with the Europeans to help the region develop its Witness Security capacity. In Albania, our assistance resulted in recent successes in fighting corruption and human trafficking, and stemming the flow of other types of illicit trafficking. In the coming year, the United States, in coordination with Italy and Greece, will engage Albania in a major anti-trafficking initiative focused on children and co-funded by five international NGOs.

All of the countries in the region have Euro-Atlantic aspirations. Romania and Bulgaria will formally join NATO prior to the Istanbul Summit in June, while Croatia, Macedonia and Albania are working together toward this goal through the Adriatic Charter.

Adriatic Charter.

#### NORTHERN IRELAND

Voters in Northern Ireland provided a new mandate to political parties last November, and they are now proceeding with a planned review of the Good Friday Agreement. Our Policy Planning Director, Mitchell Reiss, is engaged with both governments and the parties and we are hopeful that the review can lead to what we all seek, devolved governing institutions working to bring about the peaceful, prosperous society Northern Ireland's people want and deserve.

# GLOBAL ISSUES

We remain deeply engaged with our European partners to resolve legacy issues from World War II, the Holocaust and the Communist era. The United States engages with 15 other nations in the International Task Force on Holocaust Education, Remembrance and Research to improve education about the Holocaust and encourage respect for all religions. We are pressing hard for resolution of Holocaust-related insurance claims and property restitution cases.

The Administration shares Congress's concern about an apparent rise in anti-Semitism in Europe. We conveyed that concern to European leaders who have foselimins in Europe. We conveyed that concern to European leaders with have focused on this problem in their nations. In particular, French and German leaders are taking steps to denounce anti-Semitic incidents and protect synagogues and Jewish communal buildings.

Former Mayor of New York Rudolf Giuliani provided dynamic leadership at the

OSCE Anti-Semitism Conference in June 2003 in Vienna. The conference's recommendations on tolerance were approved by the December OSCE Ministerial at Maastricht. Germany will host a second conference in Berlin in late April, where delegations will share ideas on best practices for dealing with anti-Semitism. Former Mayor Ed Koch will head the U.S. delegation.

European and Eurasian states in concert with NGOs took the offensive on trafficking in persons in 2003. The Russian Government passed amendments to its criminal code on human trafficking and forced labor, and instituted criminal liability for pimping and for distribution of child pornography. Armenia launched investigations into seven trafficking cases. Ukraine convicted over 50 people last year. Over a two-week period in September 2003, "Operation Mirage" targeted traffickers in 12 states in southeastern Europe: the law enforcement operation netted 595 traffickers and identified over 450 victims. Criminal procedures were filed in 319 cases and over 200 traffickers were arrested. Thirty-one have already been convicted. In each nation, U.S. Government technical assistance and diplomatic pressure were instrumental in achieving this progress. Each of our embassies in Europe and Eurasia has a country-specific action plan to attack trafficking in persons.

United States Government health programs are having a direct and tangible impact in Eurasia and Southeast Europe. These countries face the twin challenge of antiquated and deteriorating Soviet-era public health infrastructures and the spread of serious infectious diseases.

The Enhanced Partnership in Northern Europe provides a forum to combine resources and ideas to tackle cross-border issues, such as trafficking in persons and infectious diseases.

Engaging former weapons and defense industry scientists is crucial to the success of our non-proliferation efforts in Europe and Eurasia. Our assistance programs for Eurasian scientists are progressing toward the goal of commercial support for a civilian scientific sector in nations of the former Soviet Union. In Russia, former weapons scientists are developing a cancer diagnostic and treatment instrument with venture capital funding. In Ukraine, retrained scientists focus on advanced cryogenics with private sector funding.

The Administration's push for innovative high tech research and development as a response to global warming has received European ministerial-level attention and participation. Our European partners share our interest in using technology to address stabilizing greenhouse gas concentrations, and their experts are part of the team in developing new technologies. Clearly the United States is in the lead position, but we need the Europeans as shared stakeholders in this endeavor with global consequences.

#### RESOURCES

Your investment in the Department of State has been a wise one. The infrastructure improvements we have been able to make in Washington and in the field have dramatically increased our ability to implement and advance U.S. foreign policy. The staffing we have received through the Diplomatic Readiness Initiative has given us greater flexibility to meet the new program demands in Europe and Eurasia. The safety of our colleagues overseas continues to improve, with the construction of more new facilities this year. American and Turkish lives were saved in November in Istanbul because we had relocated our consulate general to a secure new facility only months before the devastating bombings in Istanbul. U.S. facilities would have been targeted had we not taken the precaution of securing these facilities. We opened a new embassy in Zagreb, and new embassies in Dushanbe and Sofia should be finished this year. Improvements in information technology and communications mean that we have better access to more information than ever before, and we are able to work more efficiently. We have significantly improved and expanded our training curricula and more of our people than ever are regularly receiving the professional training that is essential if we are to serve the American people as effectively as possible.

# CONCLUSION

In the past year the United States achieved significant successes in Europe and Eurasia. A freely elected government in Georgia is actively retiring agents of corruption and heeding the Georgian people's call for democratic processes. After four decades of division and strife, Cyprus is on the threshold of a negotiated agreement and popular referendum for reunification, in time for a unified island to join the European Union. The European Union assumed responsibility for security in Macedonia and a Bosnia hand-over is planned. Working closely with our British and Italian partners, we created an about-face in Libya, one that will enhance stability in the region. No longer a pariah in the community of nations, Libya is forging a new path toward economic development and a better life for the Libyan people. Our concerted efforts with European and Eurasian partners to combat terrorism, trafficking in persons, and anti-Semitism led to concrete, proactive engagement on both sides of the Atlantic. We are also working with our European partners, including Turkey playing a unique role, to transform the Greater Middle East through freedom-based reform.. Our goal now is to harness our synergy and commitment to shared democratic values to ensure the success of the major transitions ahead, not only in Iraq reconstruction, but also in the expanded transatlantic rapport built on the enlargement of NATO and the European Union.

Mr. BEREUTER. Madam Secretary, thank you for your statement of the issue to and around Europe. As indicated earlier, I would like now to recess the Committee briefly for a markup of H. Res. 540, and so the Subcommittee will stand in recess for a brief period of time.

[Whereupon, at 10:40 a.m., a brief recess was taken.]

Mr. Bereuter. Now we will resume the hearing on the European and transatlantic relationship. And, Secretary Jones, we appreciate very much your testimony and look forward to working with you. I will start the question period under a 5-minute rule. We should

have time for a couple of rounds, as necessary.

I think I would like to go first, Madam Secretary, to comments you might like to make about the situation in Russia. I am not going to ask you a softball question; I am going to ask you one that everybody really wants to have some direct comments on, and that is, do you think that President Putin is determined to fold Belarus, Georgia, Armenia, Azerbaijan into some new bloc dominated by Moscow?

Ms. Jones. No. I would not put it that way. What we have been working on with the Russians, with President Putin and with his senior colleagues, is to help them understand that as much as these countries are in what they would consider their near-abroad, they are equally in Europe's near-abroad and that, therefore, Europe and the transatlantic institutions have as much interest in the future of these countries as Russia does. That is part one.

Part two is that we believe, and we talked to the Russians in this vein, that it must be as much in Russia's interest as it is in the interest of Europe and of these countries and of the United States that there be full stability in these countries, and full stability can come only when there is complete political reform, when there is full territorial sovereignty and integrity for these countries, and when the desire of these countries to make a decision on which for-

eign troops are on their territory can be realized.

The argument we make is we work tremendously with the Russians in the global war of terrorism. It is not supportable, if we are to have success in the global war on terrorism, that there be any areas in the world of instability, and that would be especially the case in Chechnya or in Georgia or in Transnistria, where, especially in Transnistria, there are still open borders, there are still unchecked borders where trafficking in persons can take place, weapons-of-mass-destruction materials can cross, weapons can cross, nuclear materials can cross, and basic criminals can cross. It is in the interest of all of us that the situations be resolved, the difficulties in Transnistria, Moldova, or in Georgia, certainly in Chechnya, be resolved so that they are not areas where criminality can occur and certainly not areas that are conducive to the transit or training or whatever it may be of terrorists.

This is the kind of discussion we have with our Russian colleagues. This is the kind of discussion that the Secretary had when he was in Moscow, and I must say that the response that we have had from our Russian colleagues is quite positive, particularly, visa-vis the change in the leadership in Georgia, where the Russians say that they believe that President Saakashvili is someone that they can work with. He is someone that they can sit down and work with to resolve the issues of the Russian bases in Georgia, as well as the question about Abkhazia and Ajaria. We look very much forward to that, whether it be in the context of the Russians completing their Istanbul commitments under the CFE treaty or

whether it is because the bilateral relationship between Georgia

and Russia simply requires that kind of resolution.

We hope that there can be a negotiation completed about the Georgian bases before the NATO Summit in Istanbul. It would be great if there were a full withdrawal of all of the remaining ammunition from Transnistria before the NATO Summit so that the countries of the NATO Alliance can ratify the Adapted CFE Treaty, which is something that the Russians are terribly interested in. But we have said, you cannot do that until the CFE commitments are all fulfilled, but we are, nevertheless, I believe, in a productive exchange with the Russian leadership on this subject, and I look forward to continuing our ability to resolve these questions.

Mr. Bereuter. Thank you. You lead me into the next question and comments I wanted to make. It is about the new President of Georgia. I think all of us that met him and some of his new ministers are impressed with their orientation and with their capabili-

ties.

I would appreciate it if you would, after this session, come back to us and say what it is that we plan to do to assist Georgia and what the Congress might do with respect to the two Russian bases still in Georgia and Abkazia, whether there is some fashion that we can weigh in. And as a final point and the question here in this area, what do we say to the Russians? What is our formal stance

with respect to their continued comments about the CFE?

Ms. Jones. I will start with the last one. On the CFE itself, we say these are, in our view, formal commitments made by the President of Russia in Istanbul in 1999. These are part of a whole series of commitments that were made, many of which the Russians particularly like, and we, NATO, the U.S. being part of NATO, will not waver from our insistence that all of the CFE commitments be resolved, be completed, before the Adapted CFE Treaty can be ratified. This has been codified in a NATO ministerial statement as well as in a NATO Summit statement. And as I say, the Russians can easily, in our view, complete these commitments really rather quickly.

Mr. Bereuter. My time has expired, but, in a word, do the Russians continue to raise the Baltics as a part of the CFE discussion?

Ms. JONES. They do.

Mr. BEREUTER. Thank you.

Ms. Jones. Yes.

Mr. Bereuter. The gentleman from Florida, Mr. Wexler, is rec-

ognized.

Mr. Wexler. As I briefly mentioned earlier, I was in The Hague last week and had an opportunity to meet with the special prosecutor, Carla DelPonte, and she was extremely thankful and grateful for the continued effort by the United States to find the remaining fugitives, and she uniquely pointed out that the American commitment was something she was satisfied with as compared to the commitment of many other nations, and I appreciate your efforts in those regards.

If I may ask, in terms of the context of the discussion today, a great amount of attention has been placed on the former Soviet areas. It is hard to square today's discussion and the President's budget. The President's budget, as I understand it, has a reduction

of funds for democracy building in Eastern Europe and for the former Soviet states. If I remember correctly, the President,—I think it was in London—4 or 5 months ago, made a speech which, on the face of it, I think, Europeans appreciated, in that the basic predicate was that our foreign policy was going to be based on the promotion of democracy.

My experience, in being in Europe in the last several weeks, has been, while Europeans appreciate the policy, they do not see any follow through in terms of our policies, and not just in Europe but

in the Middle East, in particular.

My question is not related to that. It seems to me, the two most important things that Europe is going to do this year are setting a date for accession talks for Turkey to join the European Union and the manner in which Europe handles the weapons-of-mass-destruction program in Iran. I would be curious not for you to give us what the American position is on either one of those, but analyze what the European position is?

How do you foresee, particularly Great Britain, France, and Germany, with the three foreign ministers having negotiated the deal—how do you portray their status in terms of their thinking on how Europe is going to respond ultimately to Iran and what they see as the developments? How do you analyze the European developments with respect to Turkey, and understanding Chancellor Schroeder's recent comments, but in terms of Europe's commitment

to Turkey, where do you see that at this point?

Ms. JONES. I might just say, if I can speak briefly about the budget situation with regard to democracy in Central Asia and the Caucasus, as well as in the Balkans, one thing to point out is that we no longer count exchange programs in the budget, so there is, per force, what appears to be a reduction in the budget. It is simply moving some money over to a different account.

But, for example, in Russia and in Ukraine, we are increasing the percentage of the assistance that we provide for democracy and civil-society programs. With Ukraine, it is going up to about 35 percent of the budget. With Russia, we have come up with a phaseout strategy. We are phasing out some of the economic programs in 2006, but we will keep the democracy/civil-society programs until

at least 2008, with constant reviews possible.

So we completely subscribe to your concerns that we should maintain and reinforce the democracy/civil-society development efforts that we have in these countries, and, frankly, we find ourselves in a position of pleading with the European Union and pushing the European Union and the Europeans to be more interested and more aggressive and more engaged, especially in democracy programs with all of these countries, and asking them to please put some people on the ground to assist us and support the effort that we have had under way in these countries for the last 12 years.

In terms of the European Union, the French, Germans, and the U.K., on Iran, the important thing to keep in mind for us is that we have a much better understanding, on the part of the Europeans, including these three, of the dangers represented by Iran's weapons-of-mass-destruction programs. Those dangers were not recognized previously. Now they are recognized, and I believe, from what I know of the Secretary's conversations, that he believes we

are heading for a good discussion at the March 8th Board of Governors meeting at the IAEA on Iran. I regret, I do not have a lot of details on that. I do not focus on that to the extent that some

of my colleagues do in the WMD programs.

On Turkey, the Copenhagen requirements are very important for Turkey. The interesting thing is that Prime Minister Erdogan has been very aggressive, and his government has been very aggressive, about implementing the Copenhagen Criteria, particularly on human rights, democracy, Kurdish radio transmissions, bringing police to trial for human rights abuses, that kind of thing.

We have seen a really intensive engagement on the part of this Turkish government to work toward not only passing the laws required by the Copenhagen Criteria but also implementing them. That is something that, of course, we do not have influence on in terms of the EU decisions, but we certainly support the EU push in that direction. Secretary Powell very recently sent a letter to his Turkish counterpart underscoring the importance of implementing the very good legislation that Turkey has passed over the last

We have also been very clear with our Turkish colleagues and in conversations with senior Greek officials that Turkey's influence and that Turkey's pressure, if I can put it that way, on Mr. Denktash to work hard and without rest to achieve a Cyprus solution cannot help but improve Turkey's chances to be given a date to begin accession discussions with the European Union. All of us hope that the very strong effort that Kofi Annan has made to bring the parties together, which he succeeded in doing on the basis of his plan on February 13th, will actually bring agreement in Cyprus and will bring the agreement to a successful referendum in both parts of the island so that Cyprus can join as a unified island on May 1st.

We think that there is a chance that this is possible. Both President Bush and Secretary Powell have been very engaged in support of Kofi Annan and his team's effort with both, and that would be very important to Turkey's future with the European Union.

Mr. BEREUTER. Thank you. We will turn now to the gentlelady from California, Ms. Lee, and then we will go to Mr. Gallegly. Ms.

Ms. Lee. Thank you, Mr. Chairman, for this hearing. It is always good to learn from our officials what actually we are doing now, I think, in terms of trying to rebuild our bonds with Europe, given, for instance, the withdrawal from Kyoto, the war against Iraq. Many of the unilateral actions, quite frankly, that we have taken, have caused, I think, much of the discussion and problems that we are dealing with. So I want to thank you, Madam Secretary, for being here and sharing with us how we are moving forward.

Let me ask you, specifically with regard to France and Haiti, of course, I never agreed that we should change French toast into "freedom toast" and french fries into "freedom fries." I did not think that was a good foreign policy decision on our part. However, that occurred. Now, I am wondering how we are moving to repair our relationship with France, and this is just an example of how

serious it got.

Specifically, with regard to Haiti, I am very concerned about what the discussions were last week, specifically, with regard to our State Department and the French Government. I met with the French Ambassador—I believe it was last Tuesday, a week ago—and, at that point, they were very committed to providing for some form of security to uphold democracy in Haiti to prevent the overthrow of the President of Haiti. Within 24 hours, there was a 180-degree turnaround by the French Government, and the French took, of course, the United States' position with regard to not ensuring the safety of the democratically elected President but, rather, wait until he was overthrown and then go in.

I guess what I want to ask is,—Haiti is right next door, eight million people, a poor, black country, the first black independent nation in the world—was this a giveaway for France, do you think? Do you think France just decided to court the United States, that it might make sense to take one step to get back in good favor by lockstep supporting what the United States position was toward Haiti, because I was very shocked that the French took that position, after meeting with them, knowing that that is not where they

were?

Ms. Jones. No. I do not think that is the case. From what I understand, France has had a long-term interest in Haiti. Certainly, Dominique de Villepan, the foreign minister, has been in discussion with the Secretary about the situation in Haiti for quite some time as the situation was developing. My colleague, Assistant Secretary Roger Noriega, I believe, is appearing this afternoon on this subject, and I will leave to him the discussion of exactly what transpired there because I am not as well versed on that, obviously, as he is.

But from my perspective, the discussions between Secretary Powell and Foreign Minister Dominique de Villepan were very cooperative and collaborative, exchanging information: What is the situation? What is the best thing for the international community to do? Obviously, the Secretary was in touch with many other leaders in the region, CARICOM-Canada, to discuss this as well, and the decisions that were made were made on the basis of their understanding of the situation on the ground.

Certainly, the Secretary appreciated the insights of the French foreign minister. He appreciated their understanding of what the situation was, and on that basis, that was the basis for my comments that we were particularly gratified to be able to work so well with France on this issue, but I cannot speak in detail about the situation in Haiti.

I might say that there are quite a number of other areas in which we have had very close collaboration and partnership with France. In particular, in the global war on terrorism, we have an extremely productive, good intelligence relationship and law enforcement relationship. There have been a lot of discussions about flight safety, a lot of good cooperation on flight safety, in spite of the fact that the French airlines have been disadvantaged by some of these difficulties. The collaboration, the very strong support and partnership, that we have had with France on Afghanistan is particularly noteworthy, I think.

Ms. Lee. Well, let me just conclude by saying, given that, maybe it is time now to go back to French toast and french fries here on the Hill, or do you think we still need to kind of hold it out there to make sure that they come around?

Ms. JONES. Of course, that was never a foreign policy element. That was never something that any of us endorsed, and I certainly believe that Secretary Powell would be very clear that he appreciates very much the support of various international colleagues in the results in Haiti. I know there is a lot of work there to be done, but the relationship we have with France was only improved as a

Ms. LEE. Okay. Thank you, Madam Secretary, and thank you, Mr. Chairman.

Mr. BEREUTER. Thank you, Ms. Lee.

I am going to have to absent myself for a few minutes to go across the hall for a Transportation Committee meeting, but I would like to start a second round of questions, and I will turn the Chair over to Mr. Tancredo.

Three elements, if you could comment upon them. One is pretty simple to address, I think. Is the Bush Administration in favor of graduating Russia from the Jackson-Vanik law? Second, with respect to Macedonia, especially in light of the tragic death of their President, what are we doing to reinforce stability during this period of time? And may I suggest to you that it might be appropriate for the Administration to call in, to invite in, certain American groups that have contributed to the problems in that area?

I think that there was a real effort to reach out and integrate the Albanian minority into all aspects of life, including political and university life, and there have been elements in this country that I think have been misguided in creating additional problems in Albania. In light of the very positive direction that things have been taking, I would like to suggest that you need to make sure, if we can, that American citizens understand their responsibilities and understand what has happened in a positive sense and the tragic things that could occur if, in fact, we encourage the more violent elements from Kosovo to involve themselves in Macedonia.

And, third, finally, with respect to Croatia, which, by the way, I will also visit soon as the President of the Assembly, I would think it is fair to say that the Clinton Administration and, I would assume now, the Bush Administration was concerned about the direction of the HDZ Party. Now, with Prime Minister Sanader there, is there anything you would like to say about what you perceive, what the Department perceives, as the direction of the government now within Croatia? If you could address, at least briefly, those

three issues, I would appreciate it.

Ms. JONES. Yes. Thank you. On the question of Russia graduating from Jackson-Vanik, Jackson-Vanik served its purpose in terms of immigration from Russia. We think it is time for Russia to graduate from Jackson-Vanik. There are a variety of other ways that we, the U.S. Government and the U.S. Congress, have to ensure that Russia complies with various trade rules and regulations, and we think it is quite appropriate to move ahead, graduating Russia from Jackson-Vanik.

On Macedonia, we have an extremely active and very professional good Ambassador, who, within hours of the tragedy last Thursday, reached out to Ali Ahmedi and various other communities in Macedonia for precisely the reason you mentioned. There is no question that the late-President Trajkovski was a very strong leader in this regard. He worked hard and well to bring the communities together after the civil disturbances of 3 years ago. He will be very, very sorely missed. There is no question about that, but in the 3 years since the disturbances, he has led a very strong effort and very successful effort to bring those communities together and to begin with them the habit of working together and the habit of ensuring a stable government in Macedonia, and we have every hope that that will happen.

Of course, the period leading up to the elections will be very important to ensure that that cohesiveness remains. We are already talking to the OSCE and the European Union about financial support that we should provide for various aspects of election preparation. We do not yet know exactly when the election will be, but it will be sometime in probably April or May, and we will be working very closely with the prime minister and with others to ensure as much as we possibly can that the difficulties that we found 3 years ago do not find a way to resurface as a result of the tragic death

of President Trajkovski.

Thank you for your suggestion with regard to U.S. groups. That is a good suggestion. We will work toward that, and it is very important for all of the groups that are interested in foreign policy issues in this region to understand the importance of the policy di-

rections that we are taking.
On Croatia and the HDZ, the kinds of statements that have been made so far by the new government are good statements. Nevertheless, we think it is very important for them to work harder with us in the global war on terrorism. We would like very much to sign an article 98 agreement with them. We would like very much for them to be much more vigorous about finding Mr. Gotovina and getting him to The Hague. There are other war criminals that need to be addressed in Croatia. The returns of refugees and displaced persons is not going as well as it should, and we would like to see more progress there as well.

Mr. Bereuter. Thank you, Madam Secretary.

Mr. Tancredo, would you take the Chair and continue the second round of questioning, please? I hope to return here shortly.

Mr. TANCREDO [presiding]. Thank you, Mr. Chairman.

Madam Secretary, I have a question that is a bit more strategic, I guess, than it is tactical in terms of its implications. But in looking at the development of the European Union and specifically the European Parliament, their recent constitutional convention that created, among other things, a foreign minister,—therefore, implying that they will have a foreign policy—I am wondering exactly what we should think about that in terms of our relationship and whether or not this can be a positive step forward in the way in which we will be able to deal with Europe on a more unilateral basis or, on the other hand, whether we are looking at the development of a Europe that has become not just an economic competitor, in the EU sense, but a political competitor from the standpoint of different points of view being pushed and a difference of opinion about issues like the Middle East and the rest. I just wonder how

you see this unfolding for us.

Ms. JONES. We actually believe that a European Union with a cohesive foreign policy is one that we work well with. Secretary Powell spends quite a bit of time on the phone or in meetings with the High Representative, who serves quasi in that capacity now. He, of course, also stays in touch with the foreign minister who is in the presidency right now, Irish Foreign Minister Cowen.

What we find is that whenever the United States and Europe works together, we do so with huge success. We have example after example of the times when we put our resources together, put our muscles together in policy advocacy, we get a very positive result, and there are countless examples of that.

The examples where we do not agree are few and far between. although they are important. For instance, on the Middle East, the quartet that Secretary Powell formed a couple of years ago with the European Union and with Russia, is a very important forum for pushing an agreed foreign policy with regard to the Middle East. It is tough right now to make progress on the Middle East. There is no question about that. That was a good part of the discussion that Secretary Powell had with his European Union colleagues on Monday, is, how do we make progress on the Palestinian-Israeli issue, because it is so important to peace and stability in the region, while, at the same time, working on the kinds of issues that are also very important that have been held back a bit in the past years by the Middle East peace-process difficulties, involving development of economic reform, political reforms, civil society, and education in the greater Middle East?

These are issues that we will be addressing and preparing to find ways that we can collaborate and work together in the G-8 and with the EU in preparation for the U.S.-EU Summit. Of course, there is a NATO aspect to this, too, for the NATO Summit.

I do not know exactly what the result will be of the discussion within the EU about the constitution. That has not been completed yet, but I might say, as much as we welcome a cohesive foreign policy effort by the European Union, at the same time, we are very clear with the European Union and the member states that we appreciate our ability to go early to the commission in Brussels and to the member states to make sure that they understand our views on hundreds of issues.

We go to them on trade issues, on economic issues, on biotechnology issues, on foreign policy issues, whatever it may be, to make sure that the member states in capitals also know what our position is so that the United States views can be fed into the discussions in Brussels before all of the compromises are made, and there is a result that might be a bit more concrete than we can deal with. So we get in early to make sure that our views are taken into consideration. It works pretty well.

We have been especially aggressive, if that is the right way to put it, with the 10 new members to make sure they understand how we work with the European Union, including with the European Union member states, but also to reassure them that just because they are joining the European Union does not mean they have less of us because we work so well with the European Union and because we continue to work directly with each of the member states on any number of bilateral issues that are of importance to all of us.

Mr. Tancredo. Does the Administration feel that the Europeans have come closer to the United States in understanding the global

threats and challenges facing the European community?

Ms. Jones. Absolutely. I think that the evidence of this is how much more collaboration and cooperation there is between the justice affairs ministers of the European Union and the member states with our Justice Department, FBI, et cetera. There are a tremendous number of initiatives that have been implemented, thanks to that, an extradition treaty, for example, with the European Union. There are all kinds of intelligence exchanges that take

place on the global war on terrorism.

I already mentioned how gratified we are that members of the European Union, European member states, understand now what we have been saying for some time of the danger represented by Iran and its nuclear program. We have had huge support from the European Union in the effort we have under way with the six-party group on North Korea, and we have very extensive, detailed discussions with the European Union about Russia, for instance, because of the relationships that are as important to them as they are to us, and how do we work with the Russians to result in the positive agenda that we all want.

Mr. TANCREDO. Thank you. I will continue with the second round. Is that correct? Mr. Wexler, do you have questions?

Mr. WEXLER. Yes. Thank you.

You brought it up in the context of the Middle East. If I could just offer an observation. I had the opportunity, when I was in Brussels, of meeting with the new EU envoy to the Middle East, Ambassador Ott, and from just one person's perspective, it seemed to me he was an extraordinarily vast improvement in terms of the perspective that he had in relation to his predecessor in the context of acknowledging Israel's appropriate security interests.

So, in that context, it would seem that we have yet another opportunity to reach out to the European Union in the context of the İsraeli-Palestinian conflict and deal with someone who-my impression is not that he is closer to the American position, but does not have the degree of hostility toward the American position that the previous EU envoy to the Middle East at times possessed.

In that regard, it would seem to me there is, while it is a peripheral issue in one way, there is an obvious solution which may recur again in the context of Italy moving out of the presidency and Ireland moving into it. We have this little traipsing of European Union foreign ministers to the West Bank to visit with Chairman Arafat, which created all sorts of tension between Israel and Europe and ultimately between the United States and Europe.

There seems to me to be an obvious resolution to that issue that should make all parties happy, and that is, it should be the common position of the United States and the European Union that the representatives of the quartet, if they wish, go and meet with Chairman Arafat, meaning that the U.N., the American, the European Union, and the Russian representatives should be free to go

meet with Chairman Arafat but that each individual foreign minister or representative of European countries not pursue that kind of path so as not to entangle Prime Minister Sharon in a tit-fortat every time a European comes to the region.

I do not think we, meaning the United States, have strongly suggested that kind of resolution or compromise, and it would seem to

me, it would serve all interests very well.

If I could just go back to Cyprus for a quick moment, and I very much appreciated your comments with respect to Prime Minister Erdogan. I think most people, or any objective person, would acknowledge all but miraculous change or evolution of policy in moving the Turkish Cypriots toward a position where they are now engaging again. I have been a mild critic of our policy in Cyprus, and that is not a reflection of my view of Ambassador Weston, who I think is phenomenal. But essentially we have taken the same position as the Europeans.

We have not distinguished ourselves as it relates to the conflict in Cyprus, and it seems to me we have missed an opportunity to provide to the northern Cypriots, to the Turkish Cypriots, some of the status requirements that they need that we, the United States, could have provided that we chose not to by just basically walking

the same line as the Europeans.

But in the context of your comments and in the context of acknowledging the extraordinary evolution of policy by Prime Minister Erdogan, as well as the extraordinary commitment that the Turkish Cypriots have that are now engaged in this process again, I understand that we support Kofi Annan and his process, and that is fine. That is wonderful, but can't we have a bit more imagination in supporting those Turkish Cypriots who desire some status acknowledgement so that they can move forward with pride and with hope in this process, or are we just going to continue and say, "Kofi Annan, you go with your process"?

Ms. Jones. Let me try to answer your question this way. First, certainly the change in policy on the part of the Turkish govern-

ment was very, very important to moving this process along.

As you very rightly noted, and I thank you for that, Tom Weston has been very, very engaged in a very aggressive way. The position that we have taken all along is in support, as you say, is in support of Kofi Annan's plan, but behind the scenes, with a tremendous amount of imagination and argumentation by Tom Weston, by Ambassador Mike Klossen in Cyprus, by our two Ambassadors in Ankara and Athens, we have offered quite a number of arguments, suggestions, et cetera, to keep the parties moving in the direction that we believe will result in an agreement on Cyprus.

I am not sure I can speak exactly to how we might have encouraged the northern Cypriots more, but there was a tremendous amount of outreach that we have done for quite some time to the communities in northern Cyprus to demonstrate to them the benefits that would accrue from coming to agreement for the unity of the island, not least because of the potential of joining the European Union. There all kinds of benefits that would accrue, and we have had quite a public diplomacy outreach on that point exactly.

In addition, thanks to the Congress, we have been given assistance monies that we have used very effectively, we think, in com-

munities on the Turkish side and the Greek side but particularly to bring together both sides of the island, bring together communities so that the two can see the benefits of agreement in Cyprus. That, I think, is the best contribution we can make, but I would also like to assure you that there is a lot of behind-the-scenes imagination and good argumentation being made as to the benefits of pulling together and going with the Kofi Annan plan.

Mr. WEXLER. If the Chairman would allow me 30 seconds? When I was in Cyprus last year, basically our position was that President Denktash was in the role of an obstructionist. I am curious to hear your comments now as to the role of the Greek Cypriots. Are they cooperating as much as President Denktash is, or are they now being obstructionists? What exactly is our view of how the Greek

Cypriots are responding?

Ms. Jones. From everything I can tell, and I do not have the blow by blow exactly of the daily negotiations that are underway right now on the island between Denktash and Popadopoulos. But both sides are being very clear about their positions, possibly even overstating their positions, but both sides have remained engaged, which is the most important part of this, and the Secretary General's representative, Mr. Desoto, has also been very imaginative and very flexible about how he talks about the suggestions or the requirements or the papers from both sides so that they can remain engaged on the critical issues, the important issues, and not let the length of the document, shall we say, the documents, get in the way.

But I would not want to say that one side or the other is more obstructionist than the other. It is a tough negotiation. These people have been at this negotiation for a very long time, and one of the best things we can do is show them that the result of agreement is really, really a good result, and the result of lack of agree-

ment is a bad result.

Mr. TANCREDO. Ms. Lee, do you have another question?

Ms. LEE. Thank you, Mr. Chairman.

Let me just ask you a little bit about Russia, in terms of its unsecured biological, chemical, and nuclear weapons, of course, still representing one of the greatest threats, really, in terms of security, not only in terms of national security here but throughout the world. So let me ask you, what efforts are taking place now on our part to help secure those materials and also to employ the scientists?

And then, secondly, we have been hearing of the crackdown and the erosion of civil liberties and basic democratic freedoms under President Putin, and I am wondering what the United States is doing to raise concerns about that. I know, in many parts of the world, we come down pretty hard on countries which are exhibiting

these types of crackdowns.

Ms. JONES. In terms of the remaining nuclear materials, biological materials, chemical materials, Russia is one of the countries that we have had a really very successful, Cooperative-Threat-Reduction program. We have an agreement that was signed, I believe, in 1991 that provides all of the safeguards and the liabilities protections, et cetera, for these programs that is being implemented. It has not actually been ratified by the Duma, but it is nevertheless

being implemented. There is a constant discussion between the two Presidents that is reflected in what we call "the checklist" of other areas where we can continue to focus cooperation to reduce the threat from these stockpiles very much along the lines that you

suggest.

In addition, I mentioned earlier how gratified we have been at the increased awareness of members of the European Union as to the dangers of Iran's nuclear program. I could say the exact same thing about Russia's increased awareness and concern about the danger posed by the Iranian nuclear program. We have had very, very good discussions in the meantime with the Russians about that and expect good cooperation with Russia in the Board of Governors' meeting on this subject. We have had good cooperation and expect it to continue.

On employing scientists, that program moves ahead. There is a rather slow process, unfortunately, because of homeland security requirements and granting visas to as many scientists as our scientific foundations would like to bring to the United States. That is something that we are working on now with Homeland Security to try to resolve, but that has slowed down the program just a bit.

In terms of the crackdown on media, the state controls virtually all electronic media in Russia now. There is a question about equal access of all candidates to the media. There is a question of political motivation for judicial proceedings, not least in the Khodorkovsky case. All of these issues were detailed by Secretary Powell in his discussions with the Russian leadership in January, and, most importantly, was previewed in an Izvestia op-ed piece that was published the day of his meetings to be clear about the extent of United States concerns about this aspect of our strategic relationship with Russia.

Mr. TANCREDO. Along those lines, the questioning and your responses just prompted a thought, and that is, to what extent do you believe that we should review in a much more critical way Nunn-Lugar, in light of what we are now seeing happen in Russia under Putin? We know that there have been problems relating to the way in which money has been spent there, allegations not just of waste but that actually some of that money has been spent in the development of Russian military assets instead of in the determination of Puscion military assets.

struction of Russian military assets.

So I just wonder if you think that we should take another look

at Nunn-Lugar.

Ms. Jones. We actually see the Nunn-Lugar program as a very, very successful program, as I outlined, on cooperative threat reduction, particularly with the Russians. We have very, very successful programs. We want to continue those programs in a variety of ways, but Under Secretary John Bolton knows a lot more about the details of these programs. He manages them for the State Department for the U.S. Government, and I, with respect, would ask that I check with him before I give you any more detailed answer.

Mr. Tancredo. Well, that is all right because I certainly want

Mr. TANCREDO. Well, that is all right because I certainly want you to check with him. If you think that it has been such a wonderful program, I definitely want you to check back with him. I have had reports come back to me from people who have worked in the field and people who are now explaining their concerns about the

way in which the program is being manipulated by the Russians. Unfortunately, it does appear that any piece of legislation that is identified with someone's name attached to it often becomes their pet project, and it is very difficult to actually change because some degree of ego gets involved, I guess. But I am very worried about Nunn-Lugar. I have heard about things happening there that certainly deserve our attention, and I would very much like to have a continued dialogue with the Administration.

Ms. Jones. I will gladly take that back, but I might just say, we have very aggressive oversight over these programs for precisely the reasons that you mention. Nobody wants any of this money to go astray. We are in rather detailed discussions with the Russians right now about the kind of security we need in terms of liability assurance, et cetera, et cetera, to continue these programs to be absolutely certain that they can be implemented in ways that you

would approve of and that we would approve of.

Mr. TANCREDO. Thank you very much.

We are going to turn to Mr. Engel, who has a statement that he would like entered into the record or make publicly. Go ahead, Mr. Engel.

Mr. ENGEL. Yes. Thank you, Mr. Chairman.

First of all, before I ask my question, Madam Secretary, I want to, and I know we have the resolution, but personally, for the record, state my admiration for President Boris Trajkovski of the former Yugoslav Republic of Macedonia. I have met with him on several occasions, and, of course, his death in a tragic plane crash comes as a shock to all of us, so I just wanted to state that before I asked my questions.

And I also would like unanimous consent. I have two statements. You know, I chair the Albanian Issues Caucus, and I have a statement from the government of Albania honoring President Trajkovski and also a statement of the National Albanian-American Council, and I would like unanimous consent to issue those

statements into the record.

Mr. TANCREDO. Without objection.

Mr. ENGEL. Thank you.

Madam Secretary, welcome. I want to, first, ask you a question about Kosovo, actually a couple of questions. I know you met last week with the Prime Minister of Kosovo, Mr. Bajram Rexhepi, and I appreciate your meeting with him, and I want to encourage your

continued attention to the region.

I just want to say that while I agree that meeting the standards laid down by UNMIK will be helpful to Kosovo and its citizens, I have, in a frustrated way, come to the belief that the policy of standards before status is merely a formula for delaying discussions about Kosovo's future. It has been almost 5 years now since NATO halted Milosevic's genocide against the people of Kosovo, but little or no progress has been made in resolving Kosovo's final status.

I think it is totally inconsistent for us to have a roadmap for a Palestinian state while not giving the Kosovoars the same kind of a feeling. Despair is creeping in. My worry about standards before status is that we make the standards so high that the status never gets resolved, and I want to say at the outset, and we have talked

about this in the past, that I am a strong supporter of the inde-

pendence of Kosovo.

I believe that there are only three possible futures for Kosovo, and the other two do not make any sense. It makes no sense at all for the people of Kosovo to have any kind of union again with Serbia. That will not work. So that is not something that can be anything in the future, either as an autonomous region or a third republic or anything like that.

Secondly, an international protectorate—that is what it is now— I do not think the international community wants to stay there for-

ever, so that does not work.

And the only thing that works is a referendum and ultimately independence. I realize independence cannot happen tomorrow, but I am frustrated. We keep pushing it back to the back burner, and I would like you to comment.

And then also, the whole situation about privatization in Kosovo. Unemployment is rampant. We have lots of Albanian-Americans that want to invest in Kosovo, but it is a problem. No one is going to invest if they do not feel that their investment is going to bear fruit, and I think we need to push much more for privatization so we can get some investment in there and unfreeze the process that is holding up privatization.

Ms. JONES. On the question of Kosovo, we shared your frustration with the process. We felt that the effort being made by the political leadership in Kosovo was insufficient in terms of taking over responsibility, taking over institutions. We wanted to put some energy into that effort. We wanted to put some energy into the UNMIK effort in Kosovo, which is why we rolled out what we

called a "review-date strategy" late last year.

This puts before the leadership in Kosovo the prospect of a decision being made about the future of Kosovo, the political future of Kosovo. But we wanted to be sure. We wanted to energize the leadership to get much more engaged in taking over various instruments of government and to collaborate in both directions with the U.N. in order to do that.

We have been working very intensively with the new UNMIK chief, Mr. Holkeri, as well as with the provisional institutions of self-government, to work toward an implementation plan that would allow the transfer of authority in a great variety of areas. That implementation plan, which is quite extensive, has been prepared. It is being reviewed by the U.N. and by the contact group, and we hope will be agreed here pretty soon.

We think that this is the best way to assure a successful discussion of what the future of Kosovo could be because we, like you, are frustrated that we were drifting a little bit. We look forward to a very intensive, aggressive implementation of the plan so that we can get to a review of all of this and to a decision about a year

from now as to what the future of Kosovo should be.

Mr. Engel. Let me just say, and then we will have further discussion, I guess, about this in private, I do not put any of the blame on the Kosovoars. They are anxious to move forward. They understand how important it is to move forward. I blame UNMIK. UNMIK is not turning over enough competencies to the Kosovoars. Until we got involved with ending genocide, the Europeans were fiddling, as far as I am concerned, and they would just as soon fiddle again. So I do not think that the fault lies with the Kosovoars. They want to take over. They want to run their own country, but

it is UNMIK that, I think, delays it.

That is generally my feeling, but I want to ask you this, in shifting. I am very much concerned about the situation in the north of Ireland. I, in my 15 years in Congress, have been very, very active in that issue. What we are doing though, now, I think, is shameful. We are beginning to deport Irish nationals who are now in the United States and we talk about fighting the war on terrorism, and we lump them in on this war on terrorism.

I do not believe that is fair, I do not believe it is right, and given the fact that Great Britain has let people in similar circumstances out of prison, I do not see how these efforts in trying to deport people who are in this country, who are abiding by the law, who are doing the right thing, who work and pay taxes and have families here, I do not see how the efforts to try to deport them help promote the Good Friday Agreement or peace in the north of Ireland.

I think it is just a sham, and I think, frankly, it is using these people to have the myth somehow that we are trying to be balanced in fighting terrorism so we are not only going to concentrate on Middle East terrorism; we are going to somehow catch these people up in that as well, and I just think that is a very unfair and short-sighted policy, and I would like you to comment on that.

Ms. Jones. I am not sure I can comment on that, Congressman Engel. That is an issue with the Justice Department, and I think

I had better leave it there.

Mr. ENGEL. Well, how is it helping the Good Friday Agreement? Mr. TANCREDO. Congressman, we are out of time.

Mr. ENGEL. Okay.

Mr. TANCREDO. You can follow up with any kind of written re-

sponse that you would like to request from the Secretary.

Mr. ENGEL. Fine. Can I just, Mr. Chairman, just for 1 more minute, if I can indulge? I will follow it up with Ambassador Jones, but, very quickly, about Uzbekistan, I want to put it on the record, and then we can talk in private about it. Several of us in Congress are becoming very concerned with the inability of the State Department to convince the Government of Uzbekistan to end its vendetta against the family of Uzbek President Karimov's ex-son-in-law. His name is Mansur Maqsudi. He is an American citizen.

Last October, you told another Subcommittee of this Committee that you would bring this matter up with the Uzbek government during the forthcoming visit to Tashkent, and, unfortunately, I am sure you know, three of Mr. Maqsudi's relatives still remain in prison in Uzbekistan. His children, both of whom are American citizens, continue to be forbidden to see their father, which is in defiance of a U.S. custody order, and Mr. Maqsudi, his brother, and their father, all of whom are American citizens, remain on the Interpol red-notice list as a result of Uzbek criminal charges that you have testified in previous testimony are politically motivation, which is in violation of the Interpol constitution.

I want to raise that again, and if you could very briefly comment, and we can talk in private.

Mr. TANCREDO. Madam Secretary, Uzbekistan is not a matter for this Committee's jurisdiction. Unless you can answer it in, like, a word or two, I am going to ask you to simply respond in writing.

Ms. Jones. I think I can do it in two sentences. The Maqsudi case is a very, very unfortunate child-custody case that we are doing everything we know how to resolve, but it does require the cooperation of both parents, and we have been working extremely hard to get them to cooperate, and we have not succeeded so far. Mr. Tancredo. Thank you, Madam Secretary. We are adjourned. [Whereupon, at 11:43 a.m., the Subcommittee was adjourned.]